



Circular Letter

Date: August 31, 2006

California Public Employees' Retirement System
P.O. Box 942701
Sacramento, CA 94229-2701
(916) 795-3829
Telecommunications Device for the Deaf
No Voice (916) 795-3240

Reference No.:

Circular Letter No.: 310-064-06
Distribution: I, IIA, IV, V, VI, X, XII

Special:

TO: EMPLOYERS COVERED BY CALPERS, EMPLOYEE ORGANIZATIONS
AND OTHER INTERESTED PARTIES

SUBJECT: MEETING NOTICE OF THE CALPERS BOARD OF ADMINISTRATION,
ITS COMMITTEES AND ADVISORY PANELS

The CalPERS Board of Administration, its Committees and Advisory Panels are scheduled to meet on the following days in September. All meetings will be held in public session unless otherwise noted.

Investment Committee

Date and Time: Monday, September 11, 2006, 8:30 a.m.

Location: Room 1150, Lincoln Plaza North, 400 Q Street, Sacramento, CA

The Committee will meet in closed session to discuss personnel and investment matters pursuant to Government Code sections 11126(a)(1) and (c)(16).

Investment Committee

Date and Time: Monday, September 11, 2006, 9:00 a.m. or upon adjournment or recessing of the preceding Investment Committee closed session, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

A closed session will be held upon adjournment or recessing of the open session to consider investment matters pursuant to Government Code section 11126(c)(16).

Ad Hoc Board Governance

Date and Time: Monday, September 11, 2006, 12:30 p.m. or upon adjournment or recessing of the Investment Committee meeting, whichever is later

Location: Room 1140, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Performance and Compensation Committee

Date and Time: Monday, September 11, 2006, 1:00 p.m. or upon adjournment or recessing of the Ad Hoc Board Governance Committee meeting, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

A closed session will be held upon adjournment or recessing of the open session to discuss personnel matters pursuant to Government Code section 11126(a)(1) and 11126(g)(1).

Benefits and Program Administration Committee

Date and Time: Tuesday, September 12, 2006, 9:00 a.m.

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Health Benefits Committee

Date and Time: Tuesday, September 12, 2006, 9:30 a.m. or upon adjournment or recessing of the Benefits and Program Administration Committee meeting, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Board of Administration

Date and Time: Tuesday, September 12, 2006, 12:30 p.m. or upon adjournment of the Health Benefits Committee meeting, whichever is later

Location: Room 1140, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Board members will attend a Natural Resources/Commodities Workshop.

Board of Administration

Date and Time: Wednesday, September 13, 2006, 8:00 a.m.

Location: Room 1150, Lincoln Plaza North, 400 Q Street, Sacramento, CA

The Board will meet in closed session to discuss personnel matters pursuant to Government Code sections 11126(a)(1) and (g)(1).

Board of Administration

Date and Time: Wednesday, September 13, 2006, 9:00 a.m. or upon adjournment or recessing of the closed session of the Board of Administration, whichever is later

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

A closed session will be held upon adjournment or recessing of the open session to consider the Performance and Compensation Committee closed session report pursuant to Government Code sections 11126(a)(1) and (g)(1).

Items scheduled for the public sessions of the meetings are listed on the attached agendas. This information is also available on the CalPERS website at www.calpers.ca.gov. Questions pertaining to the meetings in September may be directed to Lanette Hunt at 916/795-3829.

The Board would be pleased to have you or representatives of your agency at the public sessions. The facilities are accessible to persons with disabilities. Requests for sign language or captioning services require a minimum of 72 hours notice. To request service, please call 916/795-3065 (voice or TTY).

FRED BUENROSTRO
Chief Executive Officer

Attachments

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

INVESTMENT COMMITTEE

September 11, 2006

8:30 a.m.

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, CA

COMMITTEE MEMBERS

Charles Valdes, Chair
George Diehr, Vice Chair
Philip Angelides
Marjorie Berte
Robert F. Carlson
Rob Feckner
David Gilb
Priya Mathur
Tony Oliveira
Mike Quevedo, Jr.
Kurato Shimada
Maeley L. Tom
Steve Westly

CLOSED SESSION	8:30 a.m. Chief Investment Officer's Briefing on Market and Personnel Issues (Government Code sections 11126(a)(1) and (c)(16))
OPEN SESSION	9:00 a.m.
CLOSED SESSION	Upon Adjournment or Recess of Open Session (Government Code section 11126(c)(16))

AGENDA

OPEN SESSION

- | | | |
|-------------|-----|--|
| | 1. | Call to Order and Roll Call |
| Action | 2. | Approval of the August 14, 2006 Open Session Minutes |
| | 3. | Total Fund |
| Information | | a. CalPERS Total Fund Quarterly Report |
| Information | | b. Risk Adjusted Performance Measures |
| Information | 4. | Real Estate |
| Information | 5. | Alternative Investment Management (AIM) Program |
| Information | 6. | Global Fixed Income |
| | 7. | Global Equity |
| Action | | a. Domestic Equity Manager Annual Review |
| Action | | b. International Equity Manager Annual Review |
| Information | | c. Update on Investments in Companies Doing Business in the Sudan |
| Information | | d. Corporate Governance Internal Staff Working Group Update |
| | | 1) Climate Risk Disclosure Initiative |
| Information | | e. Corporate Governance Co-Investment Strategy |
| Action | | f. Affiliate Funds – Internationally Indexed Portfolio |
| Consent | 8. | Policy Subcommittee Report |
| | | a. Real Estate Policy |
| | | 1) Revision of Global Public Real Estate Equity Securities (Global PREES) |
| | | b. Equity Policies |
| | | 1) Repeal of Passive Domestic Small Capitalization Equities – Externally Managed |
| | | 2) Revision of Corporate Governance Principles and Guidelines |
| | | c. Miscellaneous Policies |
| | | 1) Revision of Asset Allocation Strategy |
| | | 2) Revision of Self-Funded Healthcare |
| | 9. | Chief Investment Officer's/Assistant Executive Officer's Report |
| Consent | | a. Consolidated Investment Activity Report |
| Information | | b. Assistant Executive Officer's Status Report |
| Information | 10. | Draft Agenda for October 16, 2006 |
| | 11. | Public Comment |

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Subcommittee meeting held immediately prior to this meeting may be reported on or presented to the Investment Committee for its consideration.

AGENDA

CLOSED SESSION Upon Adjournment or Recess of Open Session (Government Code section 11126(c)(16))

- | | | |
|-------------|----|---|
| | 1. | Call to Order and Roll Call |
| Action | 2. | Approval of the August 14, 2006 Closed Session Minutes |
| Information | 3. | Real Estate |
| Information | 4. | Alternative Investment Management (AIM) Program
a. Strategic Review Implementation Update |
| Information | 5. | Global Fixed Income
a. External Manager Update |
| Information | 6. | Global Equity
a. External Manager Update |
| Action | | b. 2007 Preliminary Focus List |
| Action | | c. Corporate Governance Manager – Co-Investment Opportunity |
| Information | | d. Investment in Corporate Governance Funds |
| Information | 7. | Chief Investment Officer's/Assistant Executive Officer's Report
a. Status of Action Items Not Yet Reported |
| Consent | 8. | Activity Reports
a. Alternative Investment Management Program
b. Risk Managed Absolute Return Strategies Program
c. Public Markets |

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

AD HOC BOARD GOVERNANCE COMMITTEE

September 11, 2006

**12:30 p.m.
or Upon Adjournment or Recess of the
Investment Committee Meeting, Whichever is Later**

Lincoln Plaza North
400 Q Street
Room 1140
Sacramento, CA

COMMITTEE MEMBERS

Rob Feckner, Chair
George Diehr, Vice Chair
Marjorie Berte
Robert F. Carlson
Priya Mathur
Kurato Shimada
Charles Valdes

AGENDA

- | | | |
|--------|----|--|
| | 1. | Call To Order And Roll Call |
| Action | 2. | Approval of the May 15, 2006 Ad Hoc Board Governance Committee Meeting Minutes |
| Action | 3. | Delegations of Authority |
| Action | 4. | Employer Reimbursement Policy |
| Action | 5. | Board Self-Evaluation Survey |
| Action | 6. | Future Committee Meeting Dates / Draft Agenda |
| | 7. | Public Comment |

Note: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item properly noticed for this Committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

PERFORMANCE AND COMPENSATION COMMITTEE

September 11, 2006

**1 p.m. or Upon Adjournment or Recess of the
Ad Hoc Board Governance Committee Meeting, Whichever is Later**

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, CA

COMMITTEE MEMBERS

Priya Mathur, Chair
Tony Oliveira, Vice Chair
Philip Angelides
Robert F. Carlson
David Gilb
Kurato Shimada
Charles Valdes

AGENDA

OPEN SESSION

- | | |
|---------------------------|---|
| | 1. Call to Order and Roll Call |
| | 2. Approval of the June 16, 2006 Performance and Compensation Committee Meeting Minutes |
| Action/Chris O'Brien | 3. 2006-2007 Performance Plans for the Chief Executive Officer and Chief Actuary (First Reading) |
| Action/Chris O'Brien | 4. 2006-2007 Performance Plans for the Chief Investment Officer and Senior Investment Officers (Second Reading) |
| Action/Chris O'Brien | 5. 2006-2007 Performance Plans for the Senior Portfolio Managers and Portfolio Managers (Second Reading) |
| Action/Chris O'Brien | 6. 2006-2007 Performance Plans for Recently Appointed Portfolio Managers of Alternative Investments and Short Duration Fixed Income (First Reading) |
| Information/Chris O'Brien | 7. Human Resources Division Report |

Information/Chris O'Brien

8. Proposed December 2006 Agenda

9. Public Comment

CLOSED SESSION
(Gov. Code Section
11126(a) and
11126(g)(1))

10. Approval of October 14, 2005 Performance and Compensation Committee Closed Session Minutes

Information/Chris O'Brien

11. Chief Executive Officer's Report on 2005-2006 Performance Awards and Base Salary Adjustments for Senior Portfolio Managers and Portfolio Managers

Action/Chris O'Brien

12. Review of Executives' 2005-2006 Performance: Chief Actuary, Chief Investment Officer and Senior Investment Officers over Global Equities, Fixed Income, Alternative Investments, Asset Allocation/Risk Management and Real Estate

Action/Chris O'Brien

13. Review of Chief Executive Officer's 2005-2006 Performance

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item acted upon at this committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

BENEFITS AND PROGRAM ADMINISTRATION COMMITTEE

September 12, 2006

9:00 a.m.

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, CA

COMMITTEE MEMBERS

Kurato Shimada, Chair
Rob Feckner, Vice Chair
Robert F. Carlson
George Diehr
David Gilb
Priya Mathur
Tony Oliveira
Maeley L. Tom
Steve Westly

AGENDA

- | | | |
|---------------------------|----|---|
| | 1. | Call to Order and Roll Call |
| | 2. | Approval of the August 15, 2006 Benefits and Program Administration Committee Meeting Minutes |
| Information/Darryl Watson | 3. | Customer Service Experience (CSE) Project |
| Information/Ron Seeling | 4. | Chief Actuary Report |
| Information/Kathie Vaughn | 5. | Assistant Executive Officer Report |
| Information/Kathie Vaughn | 6. | Draft Agenda for October 17, 2006 Benefit and Program Administration Committee Meeting |
| | 7. | Public Comment |

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item acted upon at this committee meeting may be brought to the full Board at its next regularly scheduled meeting.

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

HEALTH BENEFITS COMMITTEE

September 12, 2006

9:30 a.m.

**or Upon Adjournment or Recess of the
Benefits and Program Administration Committee
Meeting, Whichever is Later**

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, California

COMMITTEE MEMBERS

George Diehr, Chair
Priya Mathur, Vice Chair
Philip Angelides
Marjorie Berte
Rob Feckner
David Gilb
Tony Oliveira
Charles Valdes
Steve Westly

AGENDA

- | | |
|-----------------------------|---|
| | 1. Call to Order and Roll Call |
| | 2. Approval of August 15, 2006, Health Benefits Committee Meeting Minutes |
| Information/Jarvio Grevious | 3. Executive Order: Federal Health Care Purchasing |
| Information/Jan Howard | 4. 2006-2007 Health Plan Quality Report |
| Information/Terri Westbrook | 5. Assistant Executive Officer Report |
| Information/Terri Westbrook | 6. Proposed Agenda for October 17, 2006 Health Benefits Committee Meeting |
| Information | 7. Public Comment |

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item acted upon at this committee meeting may be brought to the full Board at its next regularly scheduled meeting.



**Natural Resources/Commodities Workshop
September 12, 2006**

**12:30 p.m. or Upon Adjournment or Recess of the
Health Benefits Committee, Whichever is Later**

**Lincoln Plaza North
400 Q Street, Room 1140
Sacramento, CA**

AGENDA

Subject	Presenter
Natural Resources/Commodities for CalPERS Investments	Russell Read <i>Chief Investment Officer</i> CalPERS
The Case for Commodities as a Strategic Investment	Steve Strongin <i>Global Head of Strategy Research</i> Goldman, Sachs & Co.
Improving Portfolio Efficiency with Commodities	Jelle Beenen <i>Head of Alternative Beta</i> PGGM
Break	
Natural Resources and Public Markets	Tim Bond <i>Global Head of Asset Allocation</i> George Manahilov <i>Director</i> <i>Natural Resources Leveraged Finance</i> Barclays Capital
Energy Environment and Technology	John Preston <i>Senior Lecturer</i> Massachusetts Institute of Technology
Wilshire Comments	Michael Schlachter <i>Managing Director</i> Wilshire Associates
Wrap Up – Next Steps	Russell Read

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

September 13, 2006

9:00 a.m.

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, CA

MEMBERS

Rob Feckner, Chair
Robert F. Carlson, Vice Chair
Philip Angelides
Marjorie Berte
George Diehr
David Gilb
Priya Mathur
Tony Oliveira
Mike Quevedo, Jr.
Kurato Shimada
Maeley L. Tom
Steve Westly
Charles Valdes

AGENDA

CLOSED SESSION CHIEF EXECUTIVE OFFICER'S BRIEFING ON PERFORMANCE
8:00 A.M. AND PERSONNEL ISSUES
(Gov. Code secs.
11126(a)(1) and
(g)(1))

OPEN SESSION
**9:00 A.M. OR UPON ADJOURNMENT OF CLOSED SESSION, WHICHEVER IS
LATER**

1. Call to Order and Roll Call
2. Pledge of Allegiance
3. Announcement of Closed Session: The Board Will Meet in Closed Session to Consider the Performance and Compensation Committee Closed Session Report (Gov. Code secs. 11126(a)(1) and (g)(1))
4. Approval of the August 16, 2006 Meeting Minutes

INVESTMENTS

- Mr. Read 5. Chief Investment Officer's Report

Committee Reports (Any Agenda Item from a Properly Noticed Committee Meeting Held Prior to this Meeting May be Reported on or Presented to the Board for its Consideration).

- Mr. Valdes 6. Investment Committee (Oral)

- Mr. Shimada 7. Benefits and Program Administration Committee (Oral)

- Mr. Diehr 8. Health Benefits Committee (Oral)

- Mr. Carlson 9. Finance Committee (Oral)

- Ms. Mathur 10. Performance and Compensation Committee (Oral)

- Mr. Feckner 11. Ad Hoc Board Governance Committee (Oral)

General

- Mr. Buenrostro 12. Board Meeting Calendar

- Mr. Buenrostro 13. Chief Executive Officer's Report (Oral)

Governmental Affairs

- Ms. Hammond 14. Board's State Legislative Program/Board's Position on State Legislation

- Ms. Hammond 15. Board's Federal Legislative Program/Board's Position on Federal Legislation

Legal

- Mr. Mixon 16. Proposed Decisions of Administrative Law Judges
 A. Rufia R. Amiri
 B. Cullen Wood

- Mr. Mixon 17. General Counsel's Report
 A. Quarterly Litigation Report
 B. Assignment Matrix

Other

- | | | |
|----------------|-----|---|
| Mr. Feckner | 18. | Board Travel Approvals |
| Mr. Buenrostro | 19. | Draft Agenda for October 18, 2006 Meeting |
| | 20. | New Business Agenda Setting |
| | 21. | Public Comment |

CLOSED SESSION The Board Will Meet in Closed Session to Consider the Performance
(Gov. Code secs. 11126(a)(1) and (g)(1)) and Compensation Committee Closed Session Report

Note: Items designated for information are appropriate for Board/Committee action if the Board/Committee wishes to take action. Any agenda item from a properly noticed Committee meeting held immediately prior to this Board meeting may be considered by the Board.



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Date: August 29, 2006
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Special:

Circular Letter

TO: EMPLOYERS COVERED BY CALPERS, EMPLOYEE ORGANIZATIONS AND
OTHER INTERESTED PARTIES

SUBJECT: MEETING NOTICE OF THE CALPERS BOARD OF ADMINISTRATION'S
COMMITTEES

Finance Committee

Date and Time: Friday, September 8, 2006, 9:30 a.m.

Location: Auditorium, Lincoln Plaza North, 400 Q Street, Sacramento, CA

Items scheduled for the public session of the meeting are listed on the attached agenda. This information is also available on the CalPERS website at www.calpers.ca.gov. Questions pertaining to the meeting may be directed to Lanette Hunt at 916/795-3829.

FRED BUENROSTRO
Chief Executive Officer

Attachment

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
BOARD OF ADMINISTRATION**

FINANCE COMMITTEE

**September 8, 2006
9:30 a.m.**

Lincoln Plaza North
400 Q Street
Auditorium
Sacramento, CA

COMMITTEE MEMBERS

Robert F. Carlson, Chair
Steve Westly, Vice Chair
Philip Angelides
Marjorie Berte
Tony Oliveira
Kurato Shimada
Charles Valdes

AGENDA

1. Call to Order and Roll Call
2. Approval of June 16, 2006 Meeting Minutes

AUDITS

Action
Larry Jensen

Information
Larry Jensen

Information
Larry Jensen

Information
Larry Jensen

3. Board of Administration – Selection of Financial Statement Auditor
4. Office of Audit Services – Quarterly and Year-End Status Report
5. External Audit Fees
6. Chief Auditor's Report

COMPLIANCE

Information
Sherry Johnstone

7. Office of Enterprise Compliance Quarterly Status Report

Information 8. Compliance Office Report
Sherry Johnstone

PLANNING

Action 9. Approval of Health Objectives and Final Approval of the
Susan Garrett CalPERS Three-Year Business Plan 2006-07 Through
2008-09

INFORMATION TECHNOLOGY SERVICES

Information 10. Information Technology Services Status Report
Gene Reich

BUDGETS

Action 11. Year-End Budget and Expenditure Report for Fiscal Year
Russell Fong 2005-06

Action 12. Budget Increase due to Medicare Part D and GASB
Lyn Vice Augmentations

Information 13. Current Budget Issues
Lyn Vice

Information 14. Cash Flow Report
Russell Fong

ADMINISTRATIVE SERVICES

Information 15. Assistant Executive Officer Report
John Hiber

Information 16. Proposed November 2006 Agenda
John Hiber

17. Public Comment

NOTE: Items designated for information are appropriate for Committee action if the Committee wishes to take action. Any agenda item properly noticed for this Committee meeting may be brought to the full Board at its next regularly scheduled meeting.